

WASHINGTON, DC -- Congresswoman Linda Sánchez, Chairwoman of the House Judiciary Subcommittee on Commercial and Administrative Law (CAL), issued the following opening statement today at the CAL Subcommittee and Subcommittee on Courts, Internet and Intellectual Property joint legislative hearing on H.R. 4854, the "False Claims Act Correction Act of 2007."

"We are here today to hear testimony from several witnesses on H.R. 4854, the "False Claims Act Corrections Act of 2007." This legislation, introduced by Chairman Berman and Representative Sensenbrenner, would amend the False Claims Act, which was enacted in response to complaints about fraud and corruption against the United States government during the Civil War.

"The central purpose of the False Claims Act has been to enlist private citizens in combating fraud against the United States. The Act's qui tam provisions provide a clear process to assist and encourage private citizens not only to report fraud against the United States, but also to participate in investigating and prosecuting those who steal from the Federal Government.

"Since 1986, filings under the False Claims Act have led to recovery for the United States Government of over \$20 billion in taxpayer funds. Such a success should be commended.

"However, over the course of the Act's history, court decisions have led to conflicting interpretations that have limited the reach of the Act, discouraged qui tam relators from filing suits under the Act, and left billions of dollars vulnerable to fraud. The various interpretations, in fact, were noted earlier this year, when an Arkansas federal court invited Congress to take legislative action to clarify the False Claims Act, stating: "The Court sympathizes with anyone litigating under the False Claims Act. Perhaps Congress will elect at some point to give legislative attention to the FCA to resolve some of the still unresolved questions about the Act's application."

"H.R. 4854 is a legislative response to the court's plea for clarification of many issues and resolves the splits among the federal circuits. The bill provides that False Claims Act liability protects all federal funds. Among other things, the legislation defines what are recoverable damages and strengthens anti-retaliation protections. Finally, H.R. 4854 establishes a statute of limitations period and revitalizes the Government's investigative powers under the Act.

"At a time when billions of American tax-payer dollars are being poured into the hands of contractors in Iraq, this legislation is particularly timely. Often, fraud cannot be discovered unless a whistleblower comes forward, and this bill makes sure that whistleblowers have better tools to hold fraudulent contractors accountable."